



U.S. Health Care Compliance Program and Code of Conduct

Vernalis is a specialty pharmaceutical company, committed to improving the lives of the many patients who benefit from our products, as well as enhancing the practice of medicine. Along with this commitment, Vernalis is dedicated to health care compliance and conducting ethical business in an ethical manner. Indeed, integrity is a cornerstone of Vernalis and the foundation of the Company's business practices. As such, compliance with all relevant laws and regulations is a priority for Vernalis.

Vernalis is based in the United Kingdom, but operates in the United States (U.S.) as well. There are numerous U.S. laws and regulations (as well as industry guidance) that apply to our activities as a pharmaceutical company. These authorities are not only numerous, but comprehensive, and in some instances, very complex. Moreover, practices that may be acceptable in other industries are not necessarily acceptable in the U.S. pharmaceutical industry, particularly as it relates to the interactions that Vernalis has with its physician-customers in the U.S.

In this context, Vernalis has developed a Health Care Compliance Program and Code of Conduct ("Code of Conduct"). This document provides an overview of Vernalis' Health Care Compliance Program, by summarizing basic principles for integrity-driven business practice and corporate compliance. This document also includes Vernalis' Code of Conduct, which provides Vernalis employees with guidelines for conducting business in an ethical manner and within the parameters of the law. Both the Health Care Compliance Program and the Code of Conduct apply to Vernalis employees in the U.S., and those who work in other countries but support Vernalis' U.S. operations. (These two groups of employees are referred to herein collectively as "Employees" or "U.S. Employees.")

As a condition of employment with Vernalis, U.S. Employees must comply with relevant laws and regulations and with the Vernalis Health Care Compliance Program and Code of Conduct, as well as all Company policies and procedures. Violation of any of these authorities is grounds for disciplinary action up to and including termination of employment. Other consequences for failure to comply with applicable law may include legal prosecution, imprisonment and fines.

In addition, Employees are required to promptly report suspected (or actual) violations of law, regulation, or the Compliance Program or Code of Conduct directly to their supervisor or to the Vernalis Compliance Officer at 88-VERNALIS (888-376-2547) extension 1488 or in writing to: Vernalis Compliance Officer, Vernalis Pharmaceuticals, Inc., 1140 Headquarters Plaza, Morristown, NJ 07960. Calls to the Hotline and letters to the Compliance Officer may be made anonymously. Under no circumstances will Vernalis retaliate against any Employee who reports, in good faith, suspected or detected offenses.

Vernalis' Health Care Compliance Program and Code of Conduct are important parts of Vernalis' corporate compliance and are critical to ensuring that integrity remains a priority for the Company and for each individual U.S. Employee. Therefore, Vernalis requires each U.S. Employee to complete and sign the attached Certification indicating that he or she has read, understands, and will comply with the Health Care Compliance Program and Code of Conduct.

OVERVIEW OF VERNALIS' HEALTH CARE COMPLIANCE PROGRAM

Vernalis' Health Care Compliance Program was developed to include the seven elements that are widely recognized as fundamental to an effective compliance program. Indeed, these seven core elements have been identified by the U.S.'s primary fraud and abuse enforcement agency — the Department of Health and Human Services, Office of Inspector General ("OIG") — as critical to a successful health care compliance program. These core seven elements are summarized below.

1. Written Code of Conduct

Vernalis has developed a written Code of Conduct (set forth below), which outlines general guidelines for conducting business in an ethical manner.

2. Compliance Officer

Vernalis has designated a Compliance Manager to oversee the Company's Health Care Compliance Program and related activities, including the Code of Conduct. In particular, the Compliance Officer has responsibility for enhancing (as appropriate), operating and monitoring Vernalis' compliance activities. The Compliance Officer is available to answer any compliance-related questions from any Employee.

3. Training and Education

Vernalis has established training and education programs designed to ensure that U.S. Employees are appropriately informed of Vernalis' Health Care Compliance Program and Code of Conduct, as well as compliance policies, procedures, and activities. These training activities (1) educate Employees regarding applicable laws and other authorities, and (2) reinforce Vernalis' commitment to compliance by covering Vernalis' Health Care Compliance Program and Code of Conduct.

4. Effective Lines of Communication; Duty to Report; Non-Retaliation

Vernalis has created (and maintains) effective lines of communication between the Compliance Officer and all U.S. Employees. In particular, the Compliance Officer has an "open door" policy, whereby Employees may discuss any compliance-related concerns, complaints, questions or other issues with the Compliance Officer. Vernalis also maintains a Compliance Hotline, whereby any Employee is able to express concerns or report misconduct on an anonymous basis. All Employees are free to contact the Compliance Officer, either verbally or in writing, or the Compliance Hotline at any time. The Compliance Officer can be reached at 88VERNALIS (888-376-2547) at extension 1488; and written communications should be sent to: Vernalis Compliance Officer, Vernalis Pharmaceuticals, Inc., 1140 Headquarters Plaza, Morristown, NJ 07960.

If a Vernalis Employee believes that an activity or arrangement violates or may violate the law, regulations or Vernalis' Health Care Compliance Program or Code of Conduct, the Employee has a duty to report this activity or arrangement. In other words, if an Employee suspects, or knows about an activity or arrangement that may (or does) violate the law, regulations, or the Compliance Program or Code of Conduct, the Employee must report this

information to Vernalis. As noted, the report may be made to the Compliance Officer via the Compliance Hotline.

Vernalis will not retaliate against any Employee who, in good faith, reports suspected or actual misconduct, or otherwise contacts the Compliance Officer (e.g., with questions, concerns) or uses the Compliance Hotline. This means that Employees will not be penalized in any way — i.e., no adverse employment action will be taken — for Employees who report compliance breaches or otherwise contact the Compliance Officer or use the Compliance Hotline.

Finally, Vernalis will make all reasonable efforts to maintain the confidentiality of any information reported by an Employee (should the Employee so request). Reports made through the Hotline may be done so anonymously. However, if a report is not made on an anonymous basis, there may be a time when the reporting Employee's identity will need to be revealed (for example, if government authorities become involved in an investigation).

5. Internal Monitoring and Compliance Audits

Vernalis internally monitors health care compliance, including compliance with the Health Care Compliance Program and the Code of Conduct, through the use of audits and other risk evaluation techniques. In this way, Vernalis is able to identify any compliance issues and modify its policies and procedures, and/or implement remedial or corrective action, as necessary (as described below).

6. Investigation of Compliance Issues

Vernalis investigates all bona fide reports of compliance violations or suspected compliance violations. In addition, the Vernalis Compliance Officer may investigate any compliance related issues he or she believes warrants investigation. A prompt and thorough investigation of the suspected violations permits Vernalis to determine whether a violation of law, regulation, or the Health Care Compliance Program or Code of Conduct has occurred and, if so, what corrective and/or disciplinary actions are appropriate.

7. Enforcement of Code of Conduct and Other Authorities; Corrective Action and Discipline

To the extent an investigation reveals that an Employee has violated the Health Care Compliance Program, the Code of Conduct or applicable laws and regulations, Vernalis will take corrective and/or disciplinary action against the Employee who committed the violation. The type of corrective and/or disciplinary action will depend on numerous factors, including but not limited to: (1) the nature and severity of the violation, (2) whether the violation was committed intentionally, recklessly, negligently or accidentally, (3) whether the Employee has committed violations in the past, (4) whether the Employee disclosed his or her violation, and (5) whether (and the manner in which) the Employee cooperated with Vernalis in connection with its investigation of the violation.

Where appropriate, Vernalis also may take corrective and/or disciplinary action against supervisors who fail to detect or report misconduct on the part of Employees under their supervision.

In addition to taking corrective and/or disciplinary action, Vernalis will determine whether to implement other remedial measures, in the event of a violation of the Health Care Compliance Program, Code of Conduct, or applicable laws or regulations.

VERNALIS' CODE OF CONDUCT

Principle 1
Commitment to Quality, Patient Care and Enhancement of Medical Practice

Vernalis is committed to research and development of products to improve the lives of people living with Parkinson's disease, migraine, cancer, neurological and central nervous system disorders, and other medical diseases and conditions. Vernalis products and relationships with physicians reinforce this commitment and ultimately serve to benefit patient care and enhance the practice of medicine. As such, Vernalis is dedicated to quality in all aspects, and at every level, of its business — from clinical studies, to manufacturing, to product delivery. All Vernalis Employees must act consistent with this commitment.

Principle 2
Commitment to Ethical Behavior, Compliance with Laws and Health Care Compliance Program and Code of Conduct

Vernalis is committed to doing business in an ethical manner. Therefore, each U.S. Employee is required to act in an ethical manner. This includes conducting business in a responsible and principled way, and consistently using good judgment. It also means complying with the many laws, regulations and other authorities that govern pharmaceutical companies. Vernalis, and each Vernalis Employee, must comply with all applicable legal authorities.

Additionally, all Vernalis Employees must comply with the Health Care Compliance Program and Code of Conduct. The Health Care Compliance Program was developed to include the seven elements that are widely recognized — and identified by the Department of Health and Human Services, Office of Inspector General (“OIG”) — as fundamental to an effective compliance program. The seven elements (as outlined above and set forth in greater detail in Vernalis' policies and procedures) are: (1) establishing a written Code of Conduct and policies and procedures, (2) having a Compliance Officer, (3) conducting training and education, (4) maintaining effective lines of communication, imposing a duty to report violations, and maintaining a policy of non-retaliation, (5) conducting internal monitoring and compliance audits, (6) investigating of compliance issues, and (7) enforcing the Health Care Compliance Program, the Code of Conduct and other authorities, and implementing corrective action and discipline, as appropriate. The Code of Conduct outlines general guidelines for conducting business in an ethical manner.

Principle 3
Accuracy and Completeness in all Communications

Vernalis Employees must be accurate and complete in all communications. Consistent with Vernalis' commitment to conducting its business ethically and with integrity, Employees must ensure that all reports, memoranda, filings, statements, submissions and other communications — whether oral or written — are accurate and complete. This applies to all communications — whether internal or external — made to Company personnel, the government (including federal and state agencies or regulators), customers, health care professionals or providers, patients, families and the general public.

Principle 4
Confidentiality

Vernalis Employees must keep Company, customer, and patient information confidential. As part of Vernalis' business, the Company and its Employees may create and/or receive proprietary information, trade secrets, competitive business information, health-related data and/or other sensitive information about the Company, its customers or patients. Vernalis respects and preserves the privacy and security of this confidential information, consistent with federal and state laws, and requires all U.S. Employees to do so as well.

Principle 5
Interactions with Health Care Professionals

The nature of Vernalis' business requires frequent interaction with health care professionals, especially physicians. Both federal and state laws and regulations govern the relationship between a pharmaceutical manufacturer, such as Vernalis, and physicians. In addition, various other authorities, such as industry guidance, impact Vernalis in this regard.

Vernalis complies with applicable laws, including the federal health care program anti-kickback law, and regulations. Vernalis also follows guidance issued by the Department of Health and Human Services, Office of Inspector General ("OIG") relating to pharmaceutical manufacturers, as well as guidance developed by the Pharmaceutical Research and Manufacturers of America ("PhRMA"), the "Code on Interactions with Health Care Professionals." Specific policies and procedures (for example, governing sales and marketing practices) are set forth in Vernalis' Health Care Compliance Policy and in more detail in individual policies and procedures.

Principle 6
Conflicts of Interest

Vernalis Employees must avoid situations where personal interests are, or appear to be, in conflict with Vernalis' interests. It is incumbent upon each Employee to notify Vernalis of any potential conflict of interest, and to work with the Company to resolve any such conflict.

Principle 7
Compliance Questions

If a Vernalis Employee has a question or concern regarding whether a particular practice or arrangement violates applicable laws, regulations, or Vernalis' Health Care Compliance Program or Code of Conduct, the Employee should consult with his or her supervisor or the Vernalis Compliance Officer at 88VERNALIS (888-376-2547) ext 1488.

Similarly, in the event a specific activity or arrangement is not addressed in the Compliance Program or this Code of Conduct, Employees should feel free to seek guidance from the persons identified above. In any event, it is incumbent on Employees to use good judgment, common sense and integrity at all times.

As noted above, Employees will never be penalized for asking compliance-related questions. To the contrary, Vernalis is dedicated to fostering a culture in which every Employee is comfortable asking the questions necessary to ensure full understanding of his or her obligations and to ensure the Company's compliance with applicable laws regulations, and the Compliance Program and Code of Conduct.

Principle 8
Certification for Code of Conduct

All Vernalis U.S. Employees must annually certify that they have read, understand, and will comply with the Health Care Compliance Program and Code of Conduct.